

BILL # SB 1422

TITLE: TAPBI program; school

SPONSOR: Waring

STATUS: As Amended by House Education

REQUESTED BY: House

PREPARED BY: Steve Schimpp

FISCAL ANALYSIS

Description

The bill would modify eligibility requirements for the Technology Assisted Project Based Instruction (TAPBI) program established by A.R.S. § 15-808. TAPBI provides students with access to on-line courses that they can “attend” by computer either from home or from a computer-equipped classroom, library or other location. Currently the program is limited to pupils who attended public school in the prior year and to Kindergartners who have a sibling in the program. The bill would instead allow any Arizona K-12 pupil to participate in TAPBI, including current private school pupils, home school pupils, and dropouts, as long as at least 60% of TAPBI pupils attended public school in the prior year.

Estimated Impact

The JLBC Staff estimates that the state General Fund cost of the bill would be at least \$5.3 million and could be significantly higher. The minimum cost is due to permitting non-public school participation in the program. As public school participation grows, the non-public school cost will rise. For every 1,000 public school pupil increase, 400 private or home schooled students could join the program at a state cost of \$2 million.

The Arizona Department of Education (ADE) does not have a fiscal impact estimate for the bill.

Analysis

TAPBI provides K-12 pupils with access to on-line courses that do not require physical attendance at a school (although that is permitted) and that can be taken anytime day or night, even on weekends. Currently a total of 14 school districts and charter schools (7 each) participate in the TAPBI, which is the maximum number allowed by A.R.S. § 15-808. This total includes 2 school districts and 2 charter schools that have participated in the program since its inception in FY 1999.

ADE data indicate that about 1,600 public school Average Daily Membership (ADM) pupils enrolled in TAPBI for FY 2004. This was an increase of more than 1,100 ADM pupils from FY 2003. For FY 2003 and prior years, TAPBI enrollment was capped at 500 ADM pupils statewide. Laws 2003, Chapter 224 removed the 500 pupil cap and replaced it with language that limited the program to pupils who attended public school in the prior year and their Kindergarten siblings. If TAPBI enrollment for FY 2006 remained at FY 2004 level of 1,600 pupils, the bill requirement that at least 60% of TAPBI pupils come from public schools would allow 2,700 pupils total to participate in the program, including 1,100 private school or home schooled pupils ($2,700 \text{ pupils total} \times 60\% = 1,600 \text{ from public schools} + 1,100 \text{ non-public school pupils} = 2,700 \text{ pupils total}$). The average Basic State Aid cost per additional K-12 ADM pupil will be about \$4,850 for FY 2006. Adding 1,100 non-public school pupils to TAPBI therefore would increase Basic State Aid costs by about \$5.3 million ($1,100 \text{ pupils} \times \$4,850 = \$5.3 \text{ million}$).

The JLBC Staff currently estimates that about 68,000 pupils attend either private school or home school in Arizona (45,000 in private school and 23,000 in home school). The scenario described above therefore would allow about 1.6% of private school and home schooled pupils to enroll in TAPBI for FY 2006 ($68,000 \text{ pupils} \times 1.6\% = 1,100 \text{ TAPBI pupils}$). Participation at this level is highly likely, as this represents a very small proportion of total private school and home school pupils and TAPBI provides pupils and their parents with free access to high quality K-12 curricula.

The scenario described above assumes that public school TAPBI enrollment would remain at 1,600 ADM pupils for FY 2005 and FY 2006. It is possible that the program instead will experience ADM growth for those years, but ADM growth trends for the program cannot be determined at this time because FY 2004 was the first “uncapped” year for TAPBI ADM and

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Analysis (Cont'd)

ADM data for FY 2005 are not yet available. If more than 1,600 public school ADM pupils participated in TAPBI for FY 2006, the maximum potential cost of the bill for that year would be higher than \$5.3 million because more than 1,100 non-public school pupils would be eligible to participate in the program.

Factors that potentially could cause more than 1,600 existing public school pupils to participate in TAPBI include the following: 1) continued effects from lifting the 500-pupil cap, 2) increased recruiting of dropouts by TAPBI sites (only dropouts who attended public school for part of the prior year currently are eligible for TAPBI), 3) increased recruiting of pupils from non-TAPBI school districts (students in non-TAPBI school districts can “transfer” to a TAPBI district for one or more courses, since those courses are Internet-based), and 4) the phasing in of additional courses by TAPBI districts (the development or acquisition of additional TAPBI courses is on-going for most programs). Since fixed costs per student generally decline as enrollment grows, TAPBI programs have a cost-minimizing incentive to add students.

Increased TAPBI participation by pupils who attended public school in the prior year would not directly increase the bill's costs because all of them already qualify for Basic State Aid and TAPBI under current law. Pupils who dropped out of public school two or more years prior, however, would become newly-eligible for TAPBI under the bill, which could increase state costs. Prior year dropouts already qualify for TAPBI because they were “enrolled in and attended a public school in the previous school year.”

For every 1,000 public school pupil increase in TAPBI, 400 private school pupils, home schooled pupils, or currently ineligible dropouts could join the program at a state cost of roughly \$2,000,000 (400 pupils X \$4,850 per pupil = \$1,940,000). Since SB 1422 allows all non-public school students to enroll in TAPBI, the maximum possible number of private and home schooled participants joining TAPBI is 68,000 (total non-public school ADM). (The number of currently ineligible dropouts who could participate in TAPBI under the bill is unknown.) Actual participation by non-public school pupils, however, would depend on public pupil enrollment and non-public students' level of interest in TAPBI courses, which currently is unknown and could change over time as the program became better known. Mandatory testing and other requirements for TAPBI potentially could limit the number of non-public school pupils interested in participating in the program.

Local Government Impact

The bill would increase Basic State Aid funding to any school district or charter school TAPBI program that attracted private school or home school pupils.

4/4/2005